



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JUL 21 2017

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Government-wide Commercial Purchase Card Guidance Related to Class Deviation
2017-O0006, Increased Micro-purchase Threshold dated July 13, 2017

This memorandum provides Government-wide Commercial Purchase Card (GPC) guidance related to the Attachment (1) Class Deviation dated July 13, 2017. Attachment (1) raised the Micro-Purchase Threshold (MPT) for DoD acquisitions of supplies or services funded by DoD appropriations to \$5,000. It also raised the MPT to \$10,000 for DoD acquisitions of supplies or services funded by DoD appropriations for: (i) basic research programs; and (ii) activities of the DoD science and technology reinvention laboratories (STRs) listed in Attachment (2).

The MPTs for acquisitions: i) of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction); ii) of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards; and iii) to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical or radiological attack remain unchanged as defined in FAR 2.101.

The increased MPTs authorized in this Class Deviation shall only be used for DoD acquisitions of supplies or services funded by DoD appropriations. Any purchases made by DoD Components that are funded with non-DoD appropriations are limited to the MPTs defined in FAR 2.101.

When implementing this Class Deviation, GPC Agency/Organization Program Coordinators (A/OPCs), Resource Managers (RMs) and other individuals responsible for management and oversight of GPC programs must ensure that Cardholder's (CH's) single purchase limits are only raised as authorized in Attachment (1) if:

- 1) a determination has been made that anticipated mission requirements and historical spending patterns demonstrate a need for raising the account's currently authorized single purchase limit [See DFARS 213.301(4) – DoD Charge Card Guidebook Roles and Responsibilities]. Failure to align authorized single purchase limits with anticipated operational requirements increases DoD's risk of GPC misuse, abuse and fraud. Any increase to a CH's delegated procurement authority must be authorized by issuance and acceptance of a new GPC Delegation of Procurement Authority Letter.
- 2) the CH has been appropriately trained to follow Federal, DoD and Component procedures for setting-aside purchases for small business concerns.
- 3) the CH has been appropriately trained to follow Federal, DoD and Component procedures for purchasing or requesting waivers from Federal Prison Industries.

DoD GPC A/OPCs are directed to ensure that each GPC CH account that is granted a single purchase limit above \$5,000 up to the \$10,000 MPT authorized by this Class Deviation is only used to make GPC purchases for: (i) basic research programs; and (ii) activities of the DoD STRLs.

For purposes of making MPT determinations, "Acquisitions of supplies or services made for basic research programs" are acquisitions funded with DoD Research, Development, Test and Evaluation (RDT&E), Budget Activity 1, Basic Research funding as detailed in the DoD Financial Management Regulation, Volume 2B, Chapter 5, Parts 050105 and 050106.

Attachment (3) provides additional information related to these requirements.

This guidance will be added to the purchase card guidebook in the next update.

Questions may be directed to my point of contact Ms. Denise Reich, at (703) 697-4404 or denise.a.reich.civ@mail.mil.



Claire M. Grady
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated



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JUL 13 2017

In reply refer to
DARS Tracking Number: 2017-O0006

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SUBJECT: Class Deviation 2017-O0006, Increased Micro-Purchase Threshold

Effective immediately, for DoD acquisition of supplies or services funded by DoD appropriations, contracting officers and other individuals delegated micro-purchase authority shall use the following definition of "micro-purchase threshold" in lieu of the definition at FAR 2.101:

"Micro-purchase threshold," means \$5,000 (10 U.S.C. 2338), except—

(1) For DoD acquisition of supplies or services for basic research programs and for activities of the DoD science and technology reinvention laboratories, it means \$10,000 (10 U.S.C. 2339); and

(2) As provided at paragraphs (1) through (3) of the definition of "micro-purchase threshold" at FAR 2.101.

This deviation implements sections 217(a) and 821 of the National Defense Authorization Act for Fiscal Year 2017 (Pub. L. 114-328). Section 821 increases the micro-purchase threshold for the DoD procurements to \$5,000. Section 217(a) further increases the micro-purchase threshold to \$10,000 for purposes of DoD basic research programs, and for the activities of the DoD science and technology reinvention laboratories.

This class deviation is effective until it is incorporated in the DFARS or until this class deviation is otherwise rescinded. My point of contact is Ms. Carrie Moore, who is available at 571-372-6093, or at carrie.m.moore8.civ@mail.mil.

Claire M. Grady,
Director, Defense Procurement
and Acquisition Policy

Laboratories and Centers Authorized by Congress to be Science and Technology Reinvention Laboratories (STRLs)



Army

- Research, Development and Engineering Command (RDECOM)
 - Army Research Laboratory (ARL)
 - Edgewood Chemical and Biological Center (ECBC)
 - Armament Research, Development and Engineering Center (ARDEC)
 - Natick Soldier Research, Development and Engineering Center (NSRDEC)
- Aviation and Missile Research, Development, and Engineering Center (AMRDEC)
- Medical Research and Materiel Command (MRMC)
 - U.S. Army Aeromedical Research Laboratory (USAARL)
 - U.S. Army Institute of Surgical Research (USAISR)
 - U.S. Army Medical Research Institute of Chemical Defense (USAMRICD)
 - U.S. Army Medical Research Institute of Infectious Disease (USAMRIID)
 - U.S. Army Research Institute of Environmental Medicine (USARIEM)
 - Walter Reed Army Institute of Research (WRAIR)
- Engineer Research and Development Center (ERDC)
- Communications Electronics Research, Development, and Engineering Center (CERDEC)*
- Tank and Automotive Research, Development, and Engineering Center (TARDEC)
- Army Research Institute for the Behavioral and Social Sciences (ARI)
- Space and Missile Defense Command Technical Center (SMDC TC)



Navy

- Naval Research Laboratory (NRL)
- Office of Naval Research (ONR)
- Naval Sea Systems Command Centers
 - Naval Surface Warfare Centers (NSWC)
 - Naval Undersea Warfare Centers (NUWC)
- Naval Air Warfare Centers (NAWC)
 - Weapons Division (NAWC WD)
 - Aircraft Division (NAWC AD)
- Space and Naval Warfare Centers (SPAWAR)
 - Systems Center Pacific (SSC-P)
 - Systems Center Atlantic (SSC-A)



Air Force

- Air Force Research Laboratory (AFRL)
 - Materials and Manufacturing (RX)
 - Space Vehicles (RV)
 - Sensors (RY)
 - Information (RI)
 - Aerospace Systems (RQ)
 - Munitions (RW)
 - 711th Human Performance Wing (711 HPW)
 - Directed Energy (RD)
 - Air Force Office of Scientific Research (AFOSR)

The Fiscal Year 2010 National Defense Authorization Act:

10 USC 2358
note.

SEC. 1105. MODIFICATION TO DEPARTMENT OF DEFENSE LABORATORY PERSONNEL AUTHORITY.

(a) DESIGNATION OF LABORATORIES.—Each of the following is hereby designated as a Department of Defense science and technology reinvention laboratory (as described in section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2721), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001):

- (1) The Aviation and Missile Research Development and Engineering Center.
- (2) The Army Research Laboratory.
- (3) The Medical Research and Materiel Command.
- (4) The Engineer Research and Development Command.
- (5) The Communications-Electronics Command.
- (6) The Soldier and Biological Chemical Command.
- (7) The Naval Sea Systems Command Centers.
- (8) The Naval Research Laboratory.
- (9) The Office of Naval Research.
- (10) The Air Force Research Laboratory.
- (11) The Tank and Automotive Research Development and Engineering Center.
- (12) The Armament Research Development and Engineering Center.
- (13) The Naval Air Warfare Center, Weapons Division.
- (14) The Naval Air Warfare Center, Aircraft Division.
- (15) The Space and Naval Warfare Systems Center, Pacific.
- (16) The Space and Naval Warfare Systems Center, Atlantic.
- (17) The laboratories within the Army Research Development and Engineering Command.

Full text: https://www.intelligence.senate.gov/sites/default/files/laws/military_act_2009.pdf

The Fiscal Year 2015 National Defense Authorization Act:

Section 1103—Revision to List of Science and Technology Reinvention Laboratories

This section would amend the list of Science and Technology Reinvention Laboratories in section 1105(a) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) to include the Army Research Institute for the Behavioral and Social Sciences and the Space and Missile Defense Command Technical Center.

Full text: <https://www.gpo.gov/fdsys/pkg/CRPT-113hrpt446/pdf/CRPT-113hrpt446.pdf>

	Authority	Purchase Valued \$0 - \$3,500	Purchases Valued \$3,500 to \$5,000 for DoD	Purchases Valued \$5,000 to \$10,000
DoD Purchases made using DoD Funds	Class Deviation 2017-O0006	Purchase authorized	Purchase authorized	<p>The \$10,000 MPT is only authorized for DoD acquisitions of supplies or services for:</p> <p>(i) basic research programs; and</p> <p>(ii) for activities of the DoD science and technology reinvention laboratories (STRLs).</p> <p>The guidance in the column to the left applies.</p>
DoD Purchases made with other than DoD Funds	Class Deviation 2017-O0006	Purchase authorized	Purchase <u>not</u> authorized	
DoD Purchases for items listed on the FPI Schedule	FAR 8.602 and FAR 8.605 (e)	Blanket purchase waiver applies	<p>If available from FPI and Cardholder is satisfied the item is comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery – Purchase from FPI</p> <p>If available from FPI and Contracting Officer¹ determines alternative source is authorized² – Acquire the item as per 8.602(a)(4)(i)³</p> <p>If available from FPI and Contracting Officer does not sign required Determination – Acquire the item following the ordering procedures at http://www.unicor.gov</p>	
DoD Purchases Set-Aside for Small Business	FAR 19.502-2 and FAR 19.303	Exempted from Set-Aside requirements	<p>If available from Small Business Concern⁴ - Make purchase from small business using standard micro-purchase and GPC procedures.⁵</p> <p>If Contracting Officer issues a written determination not to set aside the purchase in accordance with FAR 19.502-2 – Purchase using standard micro-purchase and GPC procedures.</p> <p>If purchasing from a vendor whose size status can not be definitively determined in accordance with FAR 19.303⁶, consult with A/OPC for guidance prior to purchase.</p>	

Notes:

- 1 GPC Cardholders authorized in writing in accordance with FAR 1.603-3(b) **are not** Contracting Officers.
- 2 FAR 8.602 authorizes Contracting Officers to perform market research and sign a written determination that an FPI item is not comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery.
- 3 FAR 8.605 exempts purchases with a Contracting Officer's written determination and those valued below \$3,500 from mandatory FPI purchase requirements.
- 4 FAR 19.502-2 requires that each acquisition of supplies or services that has an anticipated dollar value exceeding \$3,500 (\$20,000 for acquisitions as described in 13.201(g)(1)), but not over \$150,000 (\$750,000 for acquisitions described in paragraph (1) (i) of the simplified acquisition threshold definition at 2.101), be automatically reserved exclusively for small business concerns and be set aside for small business unless the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery.
- 5 FAR 13.202 states micro-purchases shall be distributed equitably among qualified suppliers and that micro-purchases may be awarded without soliciting competitive quotations if the contracting officer or CH considers the price to be reasonable (i.e., the CH has recently purchased the item on a competitive basis [reviewed 3 quotes] and does not suspect or have information indicating the price may not be reasonable).
- 6 Small Business Size determinations are made in accordance with 19.303 using North American Industry Classification System NAICS codes in the System for Award Management (SAM).